**City of Marine City**

**City Commission**

**October 8, 2020**

A special meeting of the Marine City Commission was held on Thursday, October 8, 2020, and was called to order by Mayor Dave Vandenbossche at 7:00 pm.

Present: Mayor Dave Vandenbossche; Commissioners Jacob Bryson, Elizabeth Hendrick, Wendy Kellehan, William Klaassen, Paul Merchant, Cheryl Vercammen; City Manager Elaine Leven, Deputy Clerk Michele Goodrich

**APPROVE AGENDA**

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen, to approve the Agenda. All Ayes. Motion Carried

**PUBLIC COMMENT**

None.

**NEW BUSINESS**

Guaranteed Maximum Price – 260 South Parker Street

David Gassen and Brian Hines with Partners in Architecture addressed the cost saving measures that they had taken in an effort to reduce the Guaranteed Maximum Price (GMP). They looked at exterior site issues and interior renovations that had no functional impact on the building such as, alternate door types, the removal of interior windows and a simplified reception counter. They also addressed a strategy for more natural air ventilation and the reduction of baseboard heating in some areas of the building, and the removal of electrical floor outlets from the bid as cost saving measures.

Mr. Gassen stated that Partners in Architecture went through the rebid process and contacted approximately 120 additional contractors in an effort to garner interest. He stated that participation was high for subcontractors who submitted a bid per trade group.

Mr. Gassen proceeded to address several job elements and listed potential reasons behind increased costs. Demolition and removal costs increased due to the utilization of more natural air ventilation, which led to additional window and framing costs and increased rough carpentry costs. He also stated that the prices for metal studs, insulation and drywall job elements increased due to the erratic price of labor and materials. Mr. Gassen also stated that the contingency cost went down and that Partners in Architecture had also elected to reduce their own fee.

Mr. Gassen recognized that the cost of the project had not been as well received as he had hoped. As an alternate form of saving money, he presented the City with the Construction Management Model, as compared to the current Design Build perspective that was being utilized. He advised that the City would be responsible for the individual trade contracts and that the City would save the fees associated with the bonds and insurance that were covered under the current Design Build model. He also stated that the contingency that was built into the Guaranteed Maximum Price would be controlled by the City and that any cost savings would be 100% to the City. Mr. Gassen did not recommend the Construction Management Model but wanted to present the City with alternate possibilities to save money.

Commissioner Klaassen questioned if lumber prices were going to change and Mr. Gassen stated that wood prices had increased almost 100% and that he had projects shifting to the use of steel.

City Manager Leven stated that she was initially very impressed with Partners in Architecture when the project started over a year ago however, progress had fallen off course after that. She stated that she had repeatedly requested more detail in the materials being used and the cost breakdown however, did not receive either. She advised that this was a “budget friendly project” and that the numbers were of concern to her. She also stated that the calculation on the contingency price that was presented was incorrect; what was presented said it was 5% but in actuality it was 7%-8%. In addition, the quote that the City had received on exterior work was $50,000.00 compared to almost $175,000.00 to what they had presented on their bid tab.

Commissioner Hendrick stated that she had also noticed the discrepancy in the contingency calculation and stated that the quote the City received for exterior renovations was $100,000.00 different from the quotes received by Partners in Architecture.

Mr. Gassen explained that they were part of a Design Build team and that their builder hadn’t revealed the specific bids and bidder and therefore he could not provide the details that City Manager Leven had requested. He stated that Partners in Architecture was willing to work on a Construction Management delivery method to satisfy the City’s need for detail.

Mayor Vandenbossche stated that he did not personally feel that the City could move forward with the presented Guaranteed Maximum Price and would like to reevaluate the project and go in a different direction. He stated that the public would not be at all happy with the number presented.

Commissioner Hendrick stated that she would like to take the time to complete this project correctly and at the right price.

Commissioner Klaassen commented that the way the local contractors bids were coming in, the right way to go was to have the City manage the project ourselves.

Motion by Commissioner Klaassen, seconded by Commissioner Hendrick, to reject the Guaranteed Maximum Price presented by Partners in Architecture and proceed with the project on our own.

**Roll Call Vote.** Ayes: Vandenbossche, Bryson, Hendrick, Kellehan, Klaassen, Merchant, Vercammen. Nays: None. Motion Carried.

Exterior Quotes – 260 South Parker Street

City Manager Leven advised that Mike Itrich had contacted a number of people to provide quotes for work to the exterior of the building. Mr. Itrich received two quotes, one from CR Smith and one from Blue Water Building and recommended utilizing CR Smith in the amount of $52,460.00 for exterior services.

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen, to waive competitive bidding.

**Roll Call Vote.** Ayes: Hendrick, Kellehan, Klaassen, Merchant, Vercammen, Vandenbossche, Bryson. Nays: None. Motion Carried.

Commissioner Kellehan commented that she had worked closely with CR Smith on a renovation project and was highly satisfied.

City Manager Leven stated that the price of exterior colors may come back higher than what was presented if the subcommittee selected a color that was not considered a standard color.

Commissioner Hendrick addressed the potential extra cost of $45.00 per sheet of OSB as needed. She advised that she would like the motion to include a not to exceed price in the amount of $55,000.00.

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen, to accept the bid of $52,460.00 submitted by CR Smith for construction on the exterior of 260 South Parker Street; not to exceed $55,000.00

City Manager Leven advised that materials would be about 6-8 weeks out.

**Roll Call Vote.** Ayes: Vandenbossche, Bryson, Hendrick, Kellehan, Klaassen, Merchant, Vercammen. Nays: None. Motion Carried.

**ADJOURNMENT**

Motion by Commissioner Hendrick, seconded by Commissioner Kellehan, to adjourn at 7:46 pm. All Ayes Motion Carried.

Respectfully submitted,

Michele E. Goodrich

Deputy Clerk

Kristen Baxter

City Clerk